

**CITY OF ALAMEDA**

## Memorandum

To: Honorable Mayor and  
Members of the City Council

From: John A. Russo  
City Manager

Date: November 15, 2011

Re: Authorize the City Manager to Execute a Consulting Services Agreement  
with Public Financial Management Inc. (PFM)

**BACKGROUND**

In July 2011, staff issued a request of qualifications (RFQ) from qualified financial advising firms to provide financial advisor services to the City of Alameda for a three-year period, with a City option to extend for two additional years.

The City will need a financial advisor to assist with future debt issuances, including those necessary to fund Environmental Protection Agency (EPA) mandated improvements to its sewer system. Based upon review of the qualifications submitted and interviews held with selected firms, staff is recommending the selection of PFM to provide financial advisory services to the City.

**DISCUSSION**

Staff received six proposals for evaluation and conducted a thorough review of each to determine the most qualified submittals. A summary of the pricing for each of the proposals is listed below:

<b>Firm Name</b>	<b>Hourly Rates for Professional Staff</b>	<b>Bond Pricing for a Competitive Bond Sale of between \$10 to \$20 million</b>
CSG Advisors Inc.	\$275-\$289	\$34,000
Fieldman, Rolapp and Associates	\$195-\$290	\$35,000
First Southwest	\$275	\$35,000 (\$25,000 for sewer bonds)
KNN Public Finance	\$275	\$40,000
Montague DeRose and Associates	\$225-\$340	Up to \$75,000
PFM	\$275	\$35,000

A panel consisting of the Assistant City Manager, Public Works Director and Controller conducted interviews with five of the six firms recommended by the Controller. Each firm brought its project team to the interview. Criteria used in the selection process included:

- Experience of both the firm and its project team in providing financial advisory services
- Volume of sewer and other California bond transactions handled
- Office location of project team assigned
- The firm's preliminary evaluation of the City's existing debt issues
- Experience in handling competitive and negotiated bond sales and effectively working with credit rating agencies and pricing bond issues
- Effectiveness in addressing all issues brought up by City staff as part of its request for qualifications and in its interview of the firms
- Proposed fees for services provided
- Other related services offered, including investment and arbitrage services

Based upon the panel's review of the qualifications submitted and the interviews of the firms held by the panel, staff recommends the selection of PFM to provide the City with financial advisory services. PFM is located in San Francisco, has issued over \$38 billion in California bond transactions during the last five years, has 31 professionals in its San Francisco office and 435 nationwide, and offers competitive pricing for its services. PFM will be able to offer integration with its bond trading, arbitrage and investment services, the latter of which the City uses to assist with the management of its investment portfolio. However, PFM will not underwrite any future bonds to avoid the potential for conflict of interest. PFM also provides one week of free annual training to staff on a variety of topics related to bonds.

#### FINANCIAL IMPACT

Fees related to a bond sale are contingent upon the successful issuance of bonds and will be payable out of the bond proceeds of each bond issue. There is no immediate budget impact. The City reserves the option to employ PFM on an hourly basis for other financial advisory services as noted in the attached consulting agreement. The annual cost of such services will not exceed \$25,000 without City Council approval, as noted in the City's purchasing policy.

RECOMMENDATION

Authorize the City Manager to execute a Consulting Services Agreement with Public Financial Management Inc. (PFM).

Respectfully submitted and approved as to funds and account,

A handwritten signature in black ink, appearing to read "Fred Marsh", with a stylized, cursive script.

Fred Marsh  
Controller

Exhibit: Contractual Services Agreement

## CONSULTANT AGREEMENT

THIS AGREEMENT, entered into this 16<sup>th</sup> day of November, 2011, by and between CITY OF ALAMEDA, a municipal corporation (hereinafter referred to as "City"), and Public Financial Management, Inc. a California corporation whose address is 50 California Street, Suite 2300 San Francisco, CA 94111 (hereinafter referred to as "Consultant"), is made with reference to the following:

### RECITALS:

A. City is a municipal corporation duly organized and validly existing under the laws of the State of California with the power to carry on its business as it is now being conducted under the statutes of the State of California and the Charter of the City.

B. Consultant is specially trained, experienced and competent to perform the special services which will be required by this Agreement; and

C. Consultant possesses the skill, experience, ability, background, certification and knowledge to provide the services described in this Agreement on the terms and conditions described herein.

D. City and Consultant desire to enter into an agreement for financial advisory services upon the terms and conditions herein.

NOW, THEREFORE, it is mutually agreed by and between the undersigned parties as follows:

1. **TERM:**

The term of this Agreement shall commence on the 16<sup>th</sup> day of November, 2011, and shall terminate on the 16<sup>th</sup> day of November, 2014, with an option by the City to extend the agreement via written notice to the Consultant for an additional two years through November 2, 2016, unless terminated earlier as set forth herein.

2. **SERVICES TO BE PERFORMED:**

Consultant shall perform each and every service set forth in Exhibit "A" which is attached hereto and incorporated herein by this reference.

3. **COMPENSATION TO CONSULTANT:**

Consultant shall be compensated for services performed pursuant to this Agreement in the amount set forth in Exhibit "B" which is attached hereto and incorporated herein by this reference. Payment shall be made by checks drawn on the treasury of the City or bond proceeds as applicable.

4. **TIME IS OF THE ESSENCE:**

Consultant and City agree that time is of the essence regarding the performance of this Agreement.

5. **STANDARD OF CARE:**

Consultant agrees to perform all services hereunder in a manner commensurate with the

prevailing standards of like professionals in the San Francisco Bay Area and agrees that all services shall be performed by qualified and experienced personnel who are not employed by the City nor have any contractual relationship with City.

6. **INDEPENDENT PARTIES:**

City and Consultant intend that the relationship between them created by this Agreement is that of employer-independent contractor. The manner and means of conducting the work are under the control of Consultant, except to the extent they are limited by statute, rule or regulation and the express terms of this Agreement. No civil service status or other right of employment will be acquired by virtue of Consultant's services. None of the benefits provided by City to its employees, including but not limited to, unemployment insurance, workers' compensation plans, vacation and sick leave are available from City to Consultant, its employees or agents. Deductions shall not be made for any state or federal taxes, FICA payments, PERS payments, or other purposes normally associated with an employer-employee relationship from any fees due Consultant. Payments of the above items, if required, are the responsibility of Consultant.

6. **NON-DISCRIMINATION:**

Consistent with City's policy that harassment and discrimination are unacceptable employer/employee conduct, Consultant agrees that harassment or discrimination directed toward a job applicant, a City employee, or a citizen by Consultant or Consultant's employee or subcontractor on the basis of race, religious creed, color, national origin, ancestry, handicap, disability, marital status, pregnancy, sex, age, or sexual orientation will not be tolerated. Consultant agrees that any and all violations of this provision shall constitute a material breach of this Agreement.

7. **HOLD HARMLESS:**

Indemnification:

Consultant shall indemnify, defend, and hold harmless City, its City Council, boards, commissions, officials, employees, and volunteers ("Indemnitees") from and against any and all loss, damages, liability, claims, suits, costs and expenses whatsoever, including reasonable attorneys' fees ("Claims"), arising from or in any manner connected to Consultant's negligent act or omission, whether alleged or actual, regarding performance of services or work conducted or performed pursuant to this Agreement. If Claims are filed against Indemnitees which allege negligence on behalf of the Consultant, Consultant shall have no right of reimbursement against Indemnitees for the costs of defense even if negligence is not found on the part of Consultant. However, Consultant shall not be obligated to indemnify Indemnitees from Claims arising from the sole or active negligence or willful misconduct of Indemnitees.

Indemnification For Claims for Professional Liability:

As to Claims for professional liability only, Consultant's obligation to defend Indemnitees (as set forth above) is limited to the extent to which its professional liability insurance policy will provide such defense costs.

8. **INSURANCE:**

On or before the commencement of the term of this Agreement, Consultant shall furnish City with certificates showing the type, amount, class of operations covered, effective dates and dates of expiration of insurance coverage in compliance with paragraphs 8A, B, C, D and E. It is agreed that Consultant shall maintain in force at all times during the performance of this Agreement all appropriate

coverage of insurance required by this Agreement with an insurance company that is acceptable to City and licensed to do insurance business in the State of California. Endorsements naming the City as additional insured shall be submitted with the insurance certificates.

A. **COVERAGE:**

Consultant shall maintain the following insurance coverage:

(1) **Workers' Compensation:**

Statutory coverage as required by the State of California.

(2) **Liability:**

Commercial general liability coverage in the following minimum limits:

Bodily Injury:           \$500,000  
                                  each occurrence  
                                  \$1,000,000  
                                  aggregate - all other

Property Damage:   \$100,000 each occurrence  
                                  \$250,000 aggregate

If submitted, combined single limit policy with aggregate limits in the amounts of \$1,000,000 will be considered equivalent to the required minimum limits shown above.

(3) **Automotive:**

Comprehensive automotive liability coverage in the following minimum limits:

Bodily Injury:           \$500,000 each occurrence  
Property Damage:   \$100,000 each occurrence

or

Combined Single Limit: \$500,000 each occurrence

(4) **Professional Liability:**

Professional liability insurance which includes coverage for the professional acts, errors and omissions of Consultant in the amount of at least \$1,000,000.

**B. SUBROGATION WAIVER:**

Consultant agrees that in the event of loss due to any of the perils for which he/she has agreed to provide comprehensive general and automotive liability insurance, Consultant shall look solely to his/her insurance for recovery. Consultant hereby grants to City, on behalf of any insurer providing comprehensive general and automotive liability insurance to either Consultant or City with respect to the services of Consultant herein, a waiver of any right to subrogation which any such insurer of said Consultant may acquire against City by virtue of the payment of any loss under such insurance.

**C. FAILURE TO SECURE:**

If Consultant at any time during the term hereof should fail to secure or maintain the foregoing insurance, City shall be permitted to obtain such insurance in the Consultant's name or as an agent of the Consultant and shall be compensated by the Consultant for the costs of the insurance premiums at the maximum rate permitted by law and computed from the date written notice is received that the premiums have not been paid.

**D. ADDITIONAL INSURED:**

City, its City Council, boards and commissions, officers, employees and volunteers shall be named as an additional insured under all insurance coverages, except any professional liability insurance, required by this Agreement. The naming of an additional insured shall not affect any recovery to which such additional insured would be entitled under this policy if not named as such additional insured. An additional insured named herein shall not be held liable for any premium, deductible portion of any loss, or expense of any nature on this policy or any extension thereof. Any other insurance held by an additional insured shall not be required to contribute anything toward any loss or expense covered by the insurance provided by this policy.

**E. SUFFICIENCY OF INSURANCE:**

The insurance limits required by City are not represented as being sufficient to protect Consultant. Consultant is advised to confer with Consultant's insurance broker to determine adequate coverage for Consultant.

**9. CONFLICT OF INTEREST:**

Consultant warrants that it is not a conflict of interest for Consultant to perform the services required by this Agreement. Consultant may be required to fill out a conflict of interest form if the services provided under this Agreement require Consultant to make certain governmental decisions or serve in a staff capacity as defined in Title 2, Division 6, Section 18700 of the California Code of Regulations. Note that PFM will not be permitted to underwrite any of the City's obligations in order to avoid the appearance of conflict of interest.

**10. PROHIBITION AGAINST TRANSFERS:**

Consultant shall not assign, sublease, hypothecate, or transfer this Agreement, or any interest therein, directly or indirectly, by operation of law or otherwise, without prior written consent of City. Any attempt to do so without said consent shall be null and void, and any assignee, sublessee, hypothecate or transferee shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer. However, claims for money by Consultant from City under this Agreement may be assigned to a bank, trust company or other financial institution without prior written consent. Written notice of such assignment shall be promptly furnished to City by Consultant.

The sale, assignment, transfer or other disposition of any of the issued and outstanding capital stock of Consultant, or of the interest of any general partner or joint venturer or syndicate member or

cotenant, if Consultant is a partnership or joint venture or syndicate or cotenancy, which shall result in changing the control of Consultant, shall be construed as an assignment of this Agreement. Control means fifty percent (50%) or more of the voting power of the corporation.

11. **SUBCONTRACTOR APPROVAL:**

Unless prior written consent from City is obtained, only the PFM staff listed in Attachment B shall be used in the performance of this Agreement.

In the event that Consultant employs subcontractors, such subcontractors shall be required to furnish proof of workers' compensation insurance and shall also be required to carry general, automobile and professional liability insurance in reasonable conformity to the insurance carried by Consultant. In addition, any work or services subcontracted hereunder shall be subject to each provision of this Agreement.

12. **PERMITS AND LICENSES:**

Consultant, at his/her sole expense, shall obtain and maintain during the term of this Agreement, all appropriate permits, certificates and licenses including, but not limited to, a City Business License, that may be required in connection with the performance of services hereunder.

13. **REPORTS:**

A. Each and every report, draft, work product, map, record and other document, hereinafter collectively referred to as "Report", reproduced, prepared or caused to be prepared by Consultant pursuant to or in connection with this Agreement, shall be the exclusive property of City. Consultant shall not copyright any Report required by this Agreement and shall execute appropriate documents to assign to City the copyright to Reports created pursuant to this Agreement. Any Report, information and data acquired or required by this Agreement shall become the property of City, and all publication rights are reserved to City.

B. All Reports prepared by Consultant may be used by City in execution or implementation of:

- (1) The original Project for which Consultant was hired;
- (2) Completion of the original Project by others;
- (3) Subsequent additions to the original project; and/or
- (4) Other City projects as appropriate.

C. Consultant shall, at such time and in such form as City may require, furnish reports concerning the status of services required under this Agreement.

D. All Reports required to be provided by this Agreement shall be printed on recycled paper. All Reports shall be copied on both sides of the paper except for one original, which shall be single sided.

E. No Report, information or other data given to or prepared or assembled by Consultant pursuant to this Agreement shall be made available to any individual or organization by Consultant without prior approval by City.



14. **RECORDS:**

Consultant shall maintain complete and accurate records with respect to sales, costs, expenses, receipts and other such information required by City that relate to the performance of services under this Agreement.

Consultant shall maintain adequate records of services provided in sufficient detail to permit an evaluation of services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. Consultant shall provide free access to such books and records to the representatives of City or its designees at all proper times, and gives City the right to examine and audit same, and to make transcripts therefrom as necessary, and to allow inspection of all work, data, documents, proceedings and activities related to this Agreement. Such records, together with supporting documents, shall be kept separate from other documents and records and shall be maintained for a period of three (3) years after receipt of final payment.

If supplemental examination or audit of the records is necessary due to concerns raised by City's preliminary examination or audit of records, and the City's supplemental examination or audit of the records discloses a failure to adhere to appropriate internal financial controls, or other breach of contract or failure to act in good faith, then Consultant shall reimburse City for all reasonable costs and expenses associated with the supplemental examination or audit.

15. **NOTICES:**

All notices, demands, requests or approvals to be given under this Agreement shall be given in writing and conclusively shall be deemed served when delivered personally or on the second business day after the deposit thereof in the United States Mail, postage prepaid, registered or certified, addressed as hereinafter provided.

All notices, demands, requests, or approvals from Consultant to City shall be addressed to City at:

City of Alameda  
2263 Santa Clara Avenue  
Alameda CA 94501  
Attention: Assistant City Manager Lisa Goldman

All notices, demands, requests, or approvals from City to Consultant shall be addressed to Consultant at:

Public Financial Management Inc.  
c/o Sarah Hollenbeck  
50 California Street  
Suite 2300  
San Francisco, CA 94111

16. **TERMINATION:**

In the event Consultant fails or refuses to perform any of the provisions hereof at the time and in the manner required hereunder, Consultant shall be deemed in default in the performance of this Agreement. If such default is not cured within a period of two (2) days after receipt by Consultant from City of written notice of default, specifying the nature of such default and the steps necessary to cure such default, City may terminate the Agreement forthwith by giving to the Consultant written notice

thereof.

City shall have the option, at its sole discretion and without cause, of terminating this Agreement by giving seven (7) days' prior written notice to Consultant as provided herein. Upon termination of this Agreement, each party shall pay to the other party that portion of compensation specified in this Agreement that is earned and unpaid prior to the effective date of termination.

17. **COMPLIANCES:**

Consultant shall comply with all state or federal laws and all ordinances, rules and regulations enacted or issued by City.

18. **CONFLICT OF LAW:**

This Agreement shall be interpreted under, and enforced by the laws of the State of California excepting any choice of law rules which may direct the application of laws of another jurisdiction. The Agreement and obligations of the parties are subject to all valid laws, orders, rules, and regulations of the authorities having jurisdiction over this Agreement (or the successors of those authorities.)

Any suits brought pursuant to this Agreement shall be filed with the courts of the County of Alameda, State of California.

19. **ADVERTISEMENT:**

Consultant shall not post, exhibit, display or allow to be posted, exhibited, displayed any signs, advertising, show bills, lithographs, posters or cards of any kind pertaining to the services performed under this Agreement unless prior written approval has been secured from City to do otherwise.

20. **WAIVER:**

A waiver by City of any breach of any term, covenant, or condition contained herein shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant, or condition contained herein, whether of the same or a different character.

22. **INTEGRATED CONTRACT:**

This Agreement represents the full and complete understanding of every kind or nature whatsoever between the parties hereto, and all preliminary negotiations and agreements of whatsoever kind or nature are merged herein. No verbal agreement or implied covenant shall be held to vary the provisions hereof. Any modification of this Agreement will be effective only by written execution signed by both City and Consultant.

23. **INSERTED PROVISIONS:**

Each provision and clause required by law to be inserted into the Agreement shall be deemed to be enacted herein, and the Agreement shall be read and enforced as though each were included herein. If through mistake or otherwise, any such provision is not inserted or is not correctly inserted, the Agreement shall be amended to make such insertion on application by either party.

24. **CAPTIONS:**


The captions in this Agreement are for convenience only, are not a part of the Agreement and in no way affect, limit or amplify the terms or provisions of this Agreement.

25. **IMMIGRATION REFORM AND CONTROL ACT (IRCA):**

Consultant assumes any and all responsibility for verifying the identity and employment authorization of all of his/her employees performing work hereunder, pursuant to all applicable IRCA or other federal, or state rules and regulations. Consultant shall indemnify and hold City harmless from and against any loss, damage, liability, costs or expenses arising from any noncompliance of this provision by Consultant.

IN WITNESS WHEREOF, the parties have caused the Agreement to be executed on the day and year first above written.

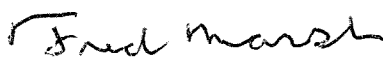
CONSULTANT

By   
Title Senior Managing Consultant

CITY OF ALAMEDA  
A Municipal Corporation

By  
Title

RECOMMENDED FOR APPROVAL:

By   
Title Controller

APPROVED AS TO FORM:  
City Attorney

By   
Title Deputy City Attorney

## **EXHIBIT A - SERVICES TO BE PERFORMED**

The scope of work expected to be performed for the City by the firm includes, but is not limited to the following,

- Provide a written financial analysis of the financial condition, bonding capacity and fiscal policies related to the City's sewer fund and other funds as directed by City staff.
- Provide information, judgments, and forecasts regarding economic, bond and capital market and money market conditions.
- Prepare a timetable of events for all involved parties leading to the sale and delivery of bonds.
- Manage the competitive or negotiable sales process, including analyzing bids, reviewing spreads, analyzing market levels, and clarifying syndicated roles with selected underwriter(s). Should the City elect to offer its securities through public sale, coordinate the notice and bid process, and calculate the true interest cost of each bid received to determine the best bid. Should the City elect to offer its securities through negotiated sale, assist the City in the selection of an underwriter, and negotiate underwriting spread, interest rates and other terms on behalf of the City.
- Advise on the timing, method and structure of bond sales, including explaining the risks inherent in each structure, and an analysis of financing options available from the California State Water Resources Control Board (CSWRCB).
- Assist and advise in evaluating opportunities to refinance and restructure outstanding debt.
- Provide research and advice on aspects of tax exemption and arbitrage in cooperation with the City's legal counsel and bond counsel.
- Evaluate and advise on the use of complex debt structures if appropriate.
- Assist in negotiating contracts, such as investment agreements.
- Assist staff in reviewing RFQs in the selection of underwriting teams and negotiation of compensation to the firm selected.
- Assist in reviewing and analyzing legislation that may have a financial impact on the City.
- Solicit bids related to escrow funds, insurance and for other items City may request.
- Recommend specific financial covenants, terms and provisions, including rate covenants, additional bonds tests, maturity schedules, call provisions and related matters.
- Coordinate the efforts of City staff, bond counsel, City Attorney and any other team members with respect to the preparation and approval of the financing documents, including closing documents and transcripts.
- Attend meetings with City staff, consultants and the City Council as requested and make presentations to explain debt related issues.
- Develop a financing plan to meet the construction time line and projected cash flow needs.
- Recommend specific financial covenants, terms and provisions, including rate covenants, additional bonds tests, maturity schedules, timing of sale, call provisions and related matters.

- Assist in the preparation and distribution of the official statement and review and provide revisions and recommendations to legal and other documents.
- Assist in publicizing the debt issue to develop institutional interest in the issue.
- Assist Staff and Bond Counsel in meeting bond disclosure requirements and preparing the official statement, Notice of Sale and Bid Forms for the debt issue.
- If the City decides to apply for funding from the SWRCB, assist the City with the application process, including completing the Financial Assistance Application from the SWRCB
- Assist the City with forming and implementing a rating strategy to optimize the City's credit ratings, including preparing presentations including any related presentation materials before rating agencies or others as appropriate.
- Review and provide comments on the Preliminary and Final Official Statement prepared by Disclosure Counsel for the issuance of bonds
- Oversee the bid opening and determine on behalf of the City the lowest bid and oversee the award of the bond sale
- Assist in planning for the investment of proceeds.
- Provide ongoing information to the Assistant City Manager, Controller, Public Works Director and City Engineer regarding the status of the financing.
- Act as an expert witness or spokesperson before governmental bodies, organizations or public forums.

Note that PFM will not be permitted to underwrite any of the City's obligations.

## EXHIBIT B COMPENSATION

City hereby agrees to pay Consultant a sum that is contingent upon the issuance of bond financing. Such payment shall become due and payable to the Consultant only upon the receipt by the City of the proceeds from the sale of a bond issue. The payments specified below shall be the only payments from City to Consultant for services rendered pursuant to this Agreement. Consultant shall submit all invoices to City in the manner specified herein.

### FIXED FEE SERVICES

Financial advisory services in connection with the issuance of debt will be paid as a fixed fee contingent on the successful closing of the bonds and payable from bond proceeds per the following schedule

#### Bond Transaction Fees

Competitive Public Offering	\$35,000 - up to \$25 Million Par Amount \$50,000 - \$25 to \$50 Million Par Amount \$65,000 - \$50 to \$75 Million Par Amount \$75,000 - Over \$75 Million Par Amount
Price Difference for Negotiated Bond Sales	5 to 10 percent discount
Price Difference for Private Placement	20 to 50 percent discount
Other Price Adjustments	CFD would be 25% Higher
Other Reimbursable Expenses	Capped at \$1,000

These fees rates will be fixed through November 2016 and will not be subject to any annual adjustments.

### HOURLY RATE SERVICES

For financial advisory services not related to debt issuance the following hourly rates will apply:

Managing Director	\$275
Senior Managing Consultant	\$225
Consultant	\$195

These hourly rates will be fixed through November 2016 and will not be subject to any annual adjustments.

### EXPENSES

Invoices shall contain the following information:

- Serial identifications of progress bills i.e. Progress Bill No 1 for the first invoice etc.
- The beginning and ending dates of the billing period
- A Task Summary containing the original contract amount the amount of prior billings the total due this period the balance available under the Agreement and the percentage of completion
- At City option for each work item in each task a copy of the applicable time entries or time sheets shall be submitted showing the name of the person doing the work the hours spent by each person a brief description of the work and each reimbursable expense
- The total number of hours of work performed under the Agreement by Consultant and each employee agent and subcontractor of Consultant performing services hereunder

PFM will be reimbursed for reasonable expenses, including but not limited to travel, postage express mail services telephone copying etc., presented with documentation and third party receipts. The total of these reimbursable expenses will not exceed \$1,000.

Payment of Invoices Not Related to Bond Financing - City shall make monthly payments based on invoices received for services satisfactorily performed and for authorized reimbursable costs incurred. City shall have 30 days from the receipt of an invoice that complies with all of the requirements above to pay Consultant. The Consultant is not authorized to perform any services or incur any costs whatsoever under the terms of this Agreement until receipt of written authorization from the City's Controller or Assistant City Manager.

In no event shall Consultant submit any invoice for an amount in excess of the maximum amount of compensation provided above either for a task or for the entire Agreement unless the Agreement is modified prior to the submission of such an invoice by a properly executed change order or amendment that is agreed to by both parties.

Final Payment of Invoices not related to Bond Financing - City shall pay the last 10% of the total sum due pursuant to this Agreement within 60 days after completion of the services and submittal to City of a final invoice if all services required have been satisfactorily performed